Well Stimulation in California:
Senate Bill 4 (Pavley),
Overview of Regulation, and
California's Experience with
Hydraulic Fracturing

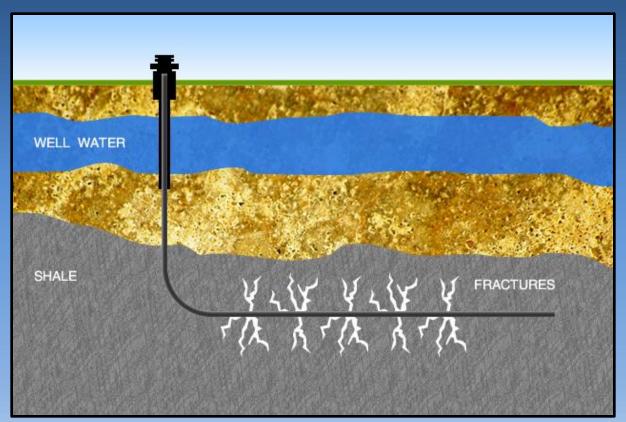


Overview

- What is Well Stimulation
 - Focus on Hydraulic Fracturing
- California and Other States'/Regions' Experience
- Senate Bill 4 (Pavley)



What is Hydraulic Fracturing?



Source: http://today.uconn.edu/blog/2011/12/fracking-%E2%80%93-good-news-or-bad-for-america%E2%80%99s-energy-needs/

- Increase permeability of oil-/gas-bearing formations
- Use of water, proppant, and chemicals to open fissures to allow oil/gas to flow to well
- Recent development?Combination of multi-stageHF in long, horizontalformation
- "Tight" shales or other types of formations require HF



Land Use Impacts



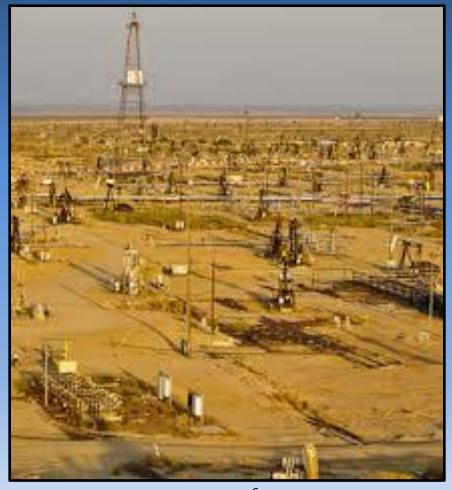
Source: www.hittinghome.org

North Dakota -- Before and After



Land Use Impacts

Existing California
Oilfield
Operations, Lost
Hills Field





The Monterey Shale?





Source: http://energyinnovation.org

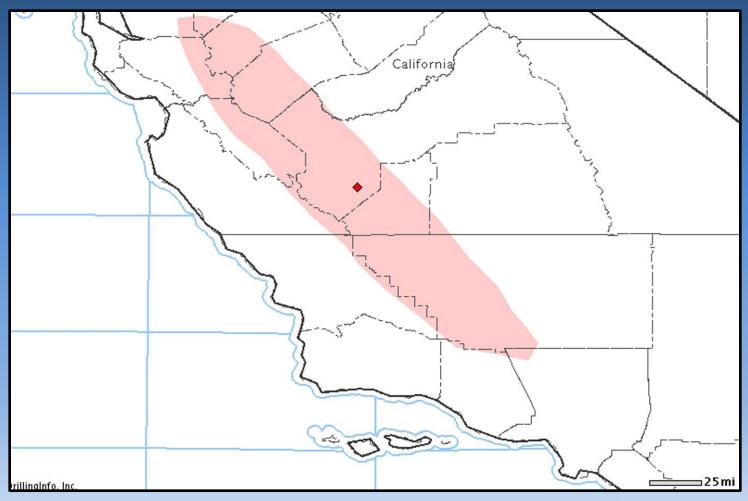
The Monterey Shale?





Source: http://www.indybay.org

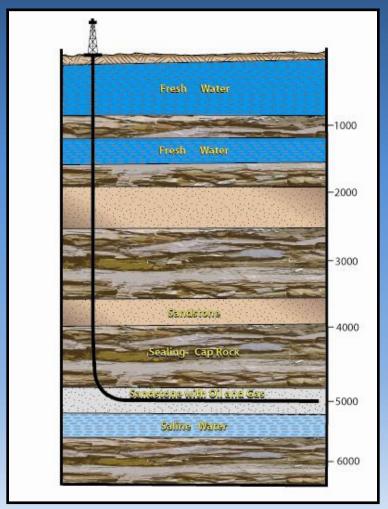
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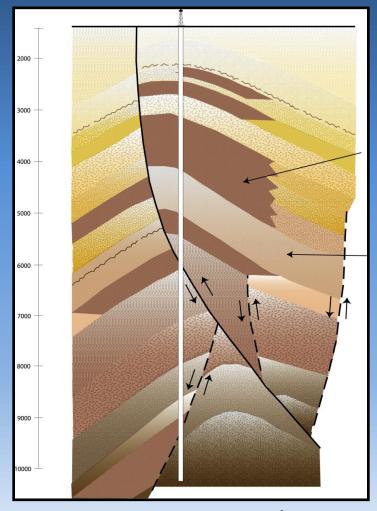




Source: http://info.drillinginfo.com

Geology of Oil and Gas Deposits





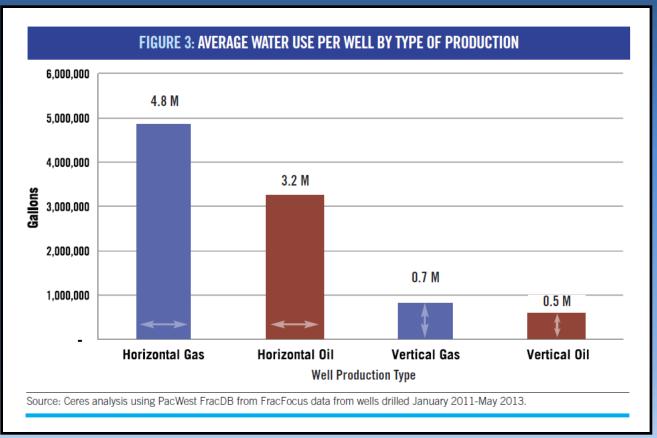


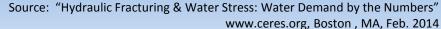
Source: CA Dept of Conservation

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Water Use in Hydraulic Fracturing

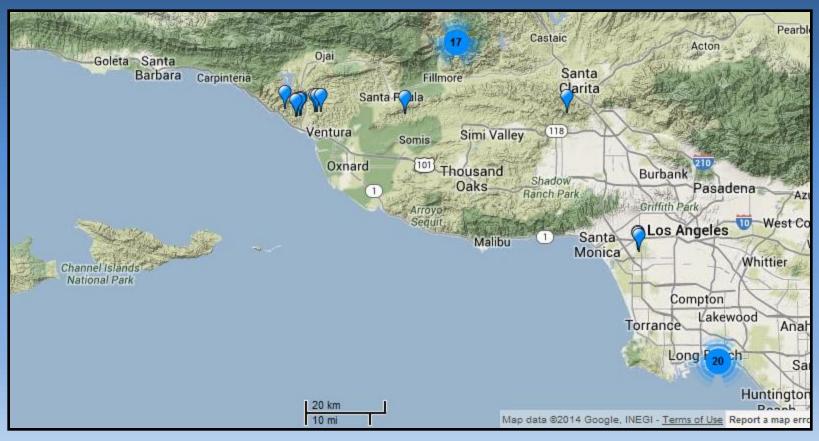
- Nat'l water use for HF in 2014
- CA avg. water use per HF ≈ 160,000 gallons
- Total CA water use all HF in 2013 ≈ 300 acre feet





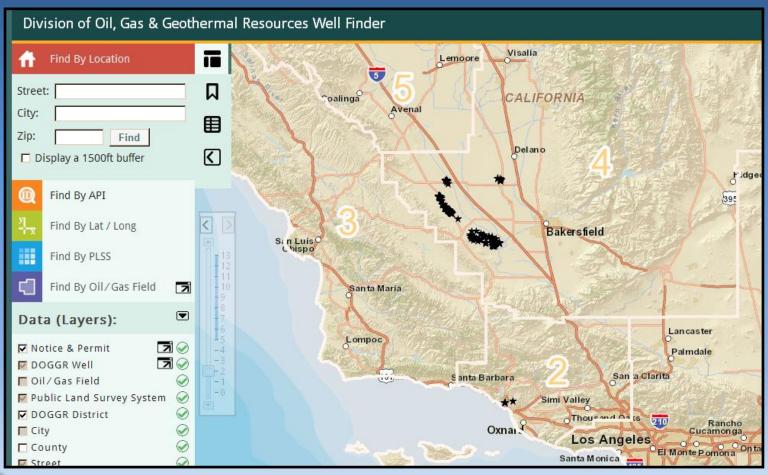


Hydraulic Fracturing in Recent Past



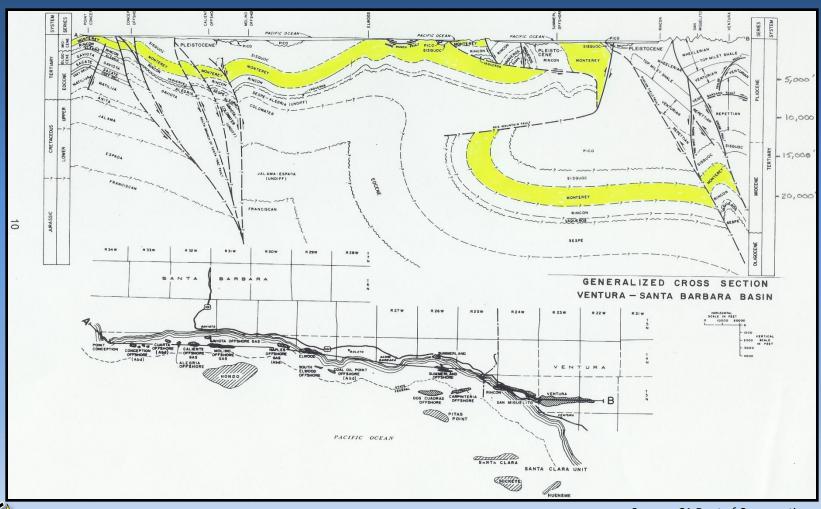
Source: www.fracfocus.org

Hydraulic Fracturing -- Last 2 months





Offshore / Onshore Geology





Source: CA Dept of Conservation

Historic Regulation

- Well Construction Standards
 - Focus on competent well bores
 - Ensure "zonal isolation"
- Facilities regulation
 - Covers pipelines, collection/separation vessels / tanks
 - Includes Spill Prevention and Contingency Planning

Senate Bill 4 Permanent Regulations

- •Will require:
 - Permit from DOGGR
 - Neighbor notification
 - Pre-WST evaluation of formation & well
 - Monitoring during and after WST
 - Water quality monitoring plans and water management plans
 - Public disclosure of job and chemicals used
- Process for adoption



Senate Bill 4 Interim Regulations

•Now require:

- Neighbor notification
- Pre-WST pressure testing of well and surface equipment
- Water quality monitoring plans
- Disclosure of HF fluid content
- Public disclosure

Senate Bill 4 "Well Stimulation" EIR and Independent Scientific Study

- •EIR
 - WST as a "project"
 - Process for EIR
- Independent Study
 - Procurement near complete
 - •SB 4 direction and scope of study



Conclusion



California Natural Resources Agency
Department of Conservation
Jason Marshall, Chief Deputy Director
916-322-1080
jason.marshall@conservation.ca.gov